



AGENDA ITEM: 9

DATE OF MEETING: January 28, 2009

ACTION: X

INFORMATION: _____

ANNUAL REPORT – FISCAL YEAR 2007-08

SUMMARY OF REQUEST

Staff will present the final draft of the First 5 California Annual Report for Fiscal Year 2007-08 (FY 07/08) to the Commission for review and approval.

BACKGROUND

The California Children and Families Act of 1998 (the Act) states that First 5 California shall:

Conduct an audit and prepare a written report on the implementation and performance of the state commission functions during the preceding fiscal year, including, at a minimum, the manner in which funds were expended and the progress toward, and the achievement of, program goals and objectives.

The Act also states that:

The written report shall include a listing, by category, of the aggregate expenditures on program areas funded by the state and county commissions pursuant to the purposes of this act, according to a format prescribed by the state commission.

The First 5 California FY 07/08 Annual Report is the second Annual Report to contain data collected under the new annual reporting Guidelines, introduced in February 2006. The report is structured into four chapters:

1. First 5 California Overview – a brief history of First 5 California, its structure and audit findings, and FY 07/08 highlights
2. First 5 California Services – a summary of how First 5 California supports administration, public education and outreach, and research and evaluation
3. First 5 California Programs – an overview of First 5 California funded programs
4. California County Commission Program Focus Areas – a synopsis of the services provided by county commissions

STAFF RECOMMENDATION

Staff recommends the Commission approve the draft report and its submission to the Governor, the Legislature and county commissions, as required by statute.

HIGHLIGHTS

First 5 California's programs are designed to fully leverage funding, skills, and systems to improve family functioning, development and education, and health for children ages 0 to 5 most in need. First 5 California's Health Access and preschool programs demonstrate First 5's ability to create a system that is greater than the sum of its parts.

Health: California Health Interview Survey data show that since 2001, the availability of private insurance for children ages 0 to 5 has declined. Surprisingly, the rate of uninsured children did not increase during that same time period. This is due, in part, to First 5's Health Access program. This program provides placement services and Healthy Kids insurance to children ages 0 to 5 who are at 300 percent of the federal poverty level and below, regardless of immigration status.

Health Access provides system support by funding local Children's Health Initiatives (CHIs). The CHIs are skilled at building trust in marginalized communities and act as a resource to families, linking them to insurance and appropriate care. First 5 California, First 5 county commissions, philanthropic organizations, and local agencies provide funding to support this important work.

Through the Health Access program, First 5 California leverages First 5 county commission funds by requiring four dollars for every First 5 California dollar expended. Together, these funds support the majority of Healthy Kids enrollees ages 0 to 5 and allow communities to leverage other dollars to support children ages 6 to 18. In 2007, First 5 collectively provided insurance to more than 16,000 children ages 0 to 5, freeing up local and philanthropic funds to insure an additional 67,000 children ages 6 to 18.

Access to insurance through the Healthy Kids program not only reduces the need for emergency care, it also saves money. A University of Southern California evaluation of Healthy Kids enrollees in nine CHIs found that preventable hospitalization rates decreased by approximately 25 percent, generating upwards of \$7.35 million in annual savings.

Child Development and Education: First 5's development and education programs, such as the Power of Preschool demonstration project, also yield impressive results. Pre- and post-program data show the number of children performing at the highest level as effective learners increased by 681 percent in FY 07/08. This is but one example of how First 5 has helped improve school readiness for children 0 to 5 through its child development and education programs.

First 5 investments have expanded access to high-quality preschool education for the 1.7 million California children ages 0 to 5 who need care while their parents work. First 5 early education programs leverage funds from existing public programs, including Head Start, State Preschool, General Child Care, and Title I, to serve approximately 8 percent of the 490,000 children ages 3 and 4 who currently attend California preschools. These programs use the existing infrastructure, leveraging and enhancing the skilled workforce to provide high-quality learning environments to those children most in need.

Targeting Services: The First 5 community is successful at targeting services to improve the lives of children most at-risk of experiencing a school readiness gap. A 2007 Rand Corporation study found that Latinos, African Americans, and English language learners are more likely to experience school achievement gaps. These are precisely the children who receive the greatest number of First 5-funded services. In FY 07/08, for children ages 0 to 5:

- 67 percent of First 5 services supported Latino children. In comparison, 50 percent of all California children ages 0 to 5 were Latino.
- 4 percent of First 5 services supported African American children. In comparison, 5 percent of all California children ages 0 to 5 were African American.
- 56 percent of First 5 services supported English language learners. In comparison, 51 percent of all California children ages 0 to 5 were English language learners.

Through the hard work and collaborative efforts of the First 5 community and its funding partners, our programs provide effective and much-needed services to children ages 0 to 5 and their families. These programs help ensure that children in California start school ready to learn and achieve their greatest potential.



First 5 California Fiscal Year 07/08 Annual Report

Presented by
Stacie Sormano, Deputy Director
Research and Evaluation Division
January 28, 2009





Annual Report Updates

- Revised highlight section
- New First 5 California evaluation data
- New appendices
- SCO audit oversight report





Highlight: Improved Child Health

- Availability of private insurance for children 0 to 5 declined since 2001, rate of uninsured children has held constant*
- First 5 California's Health Access Program helps by leveraging:
 - Funding – county commissions, the California Endowment, health plans
 - Skills – California Children's Health Initiative
 - Systems – existing managed care plans

*CHIS – California Health Interview Survey





Highlight: Improved Child Health

- Health Access program collectively insured over 16,000 children 0 to 5 through Healthy Kids
- Healthy Kids provided over 80,000 with insurance
- Providing results:
 - \$7.35 million in avoided hospitalization costs annually: a 25% decrease in hospitalization*



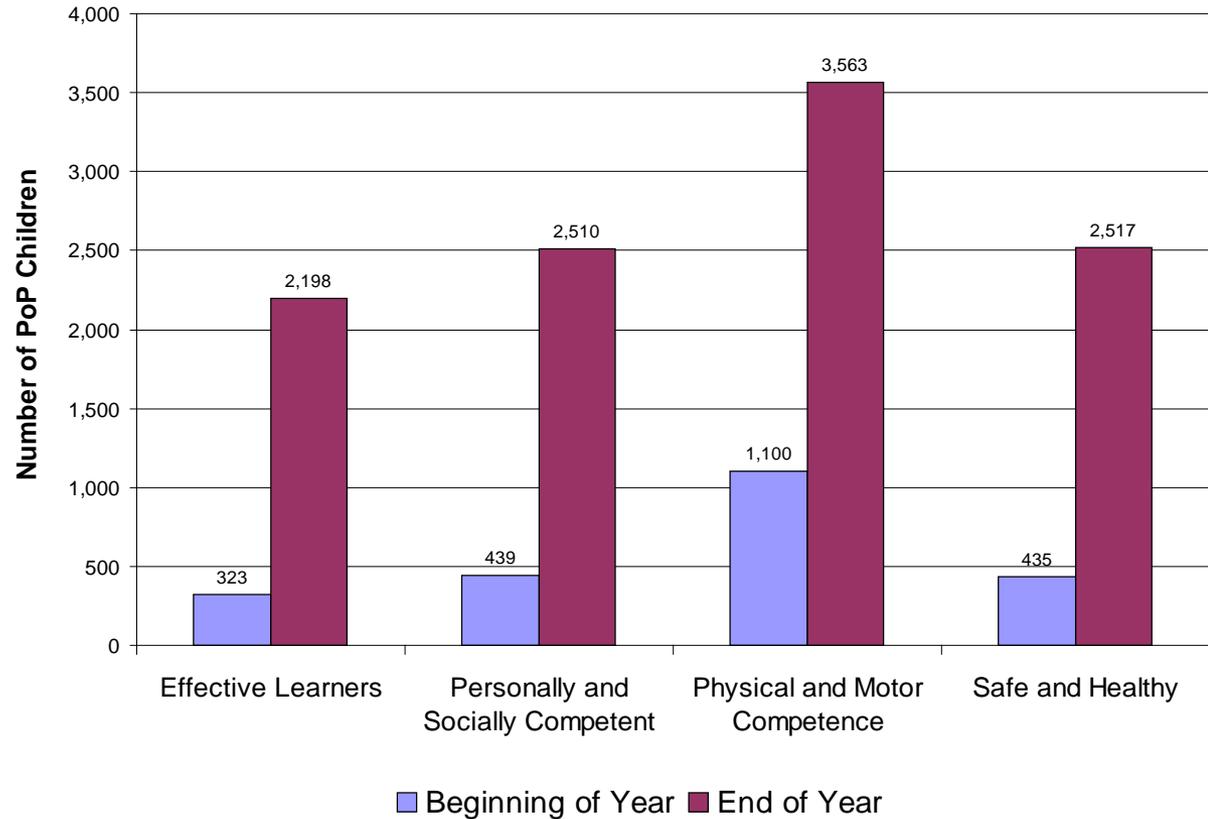
*USC – Health Access Evaluation



Evaluation Data: PoP

Children at Integrating Level

(n=5,600)



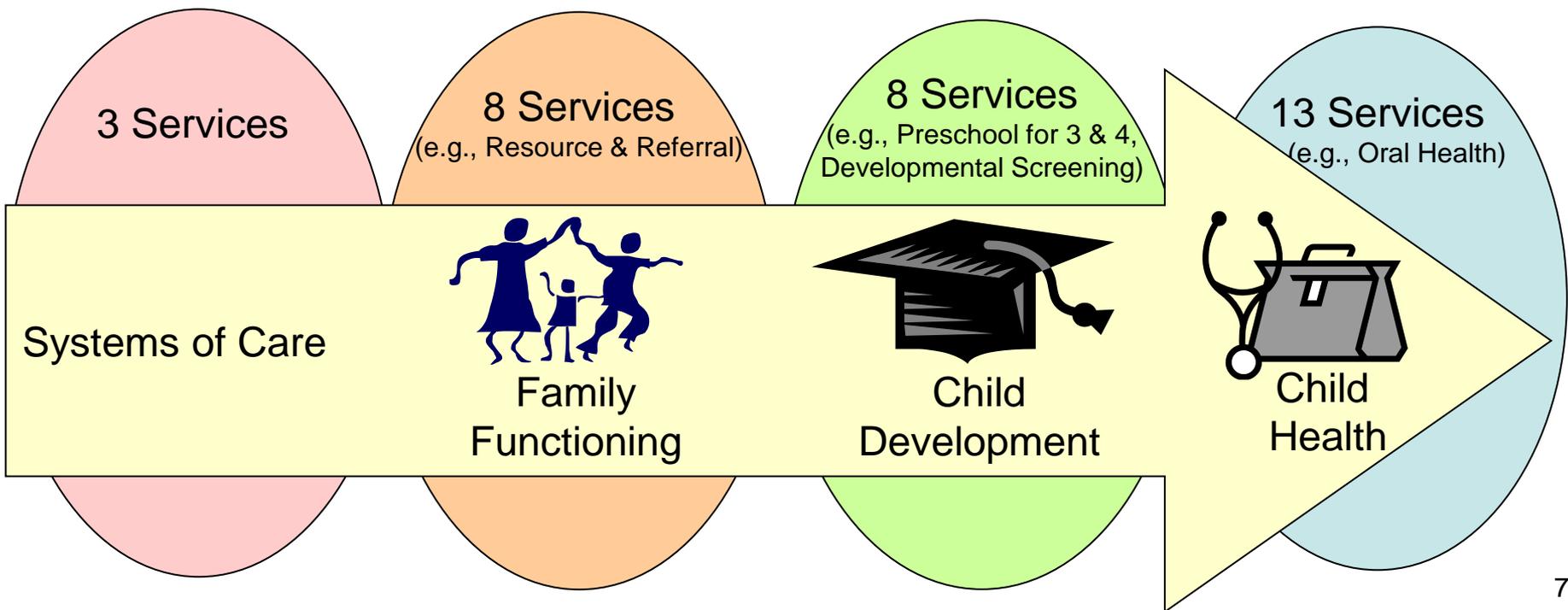


New Appendices

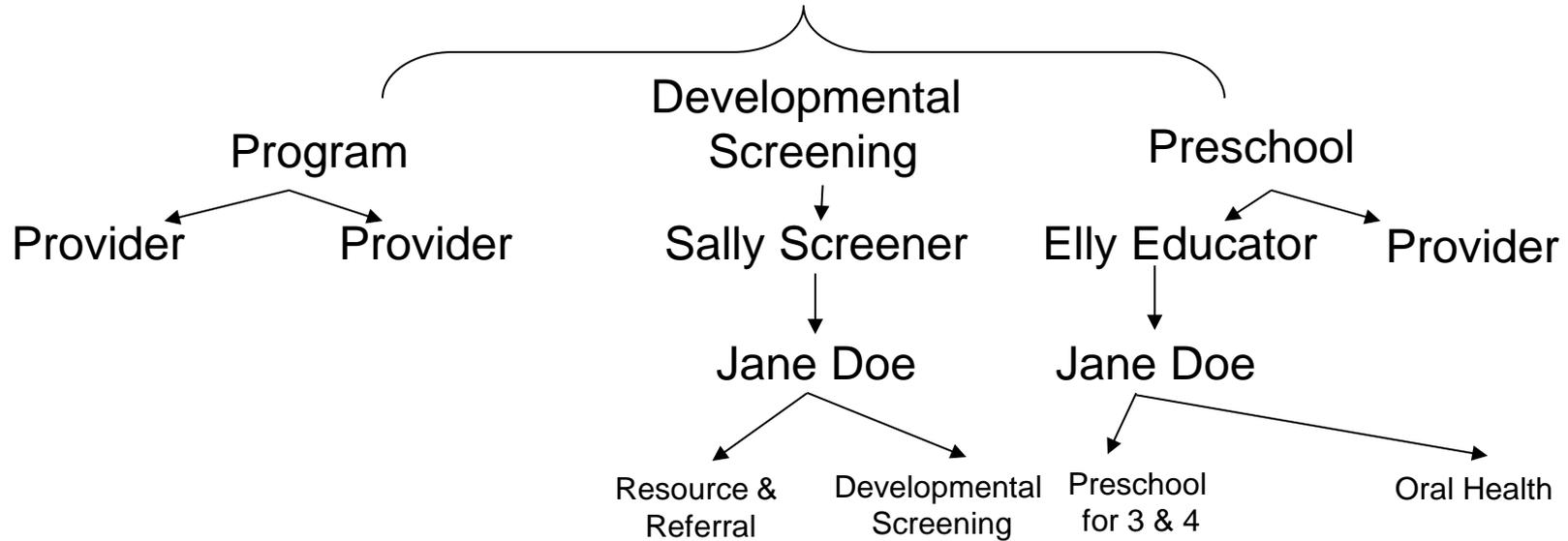
- First 5 California Matching Fund Programs
- First 5 California Focus Areas and Services



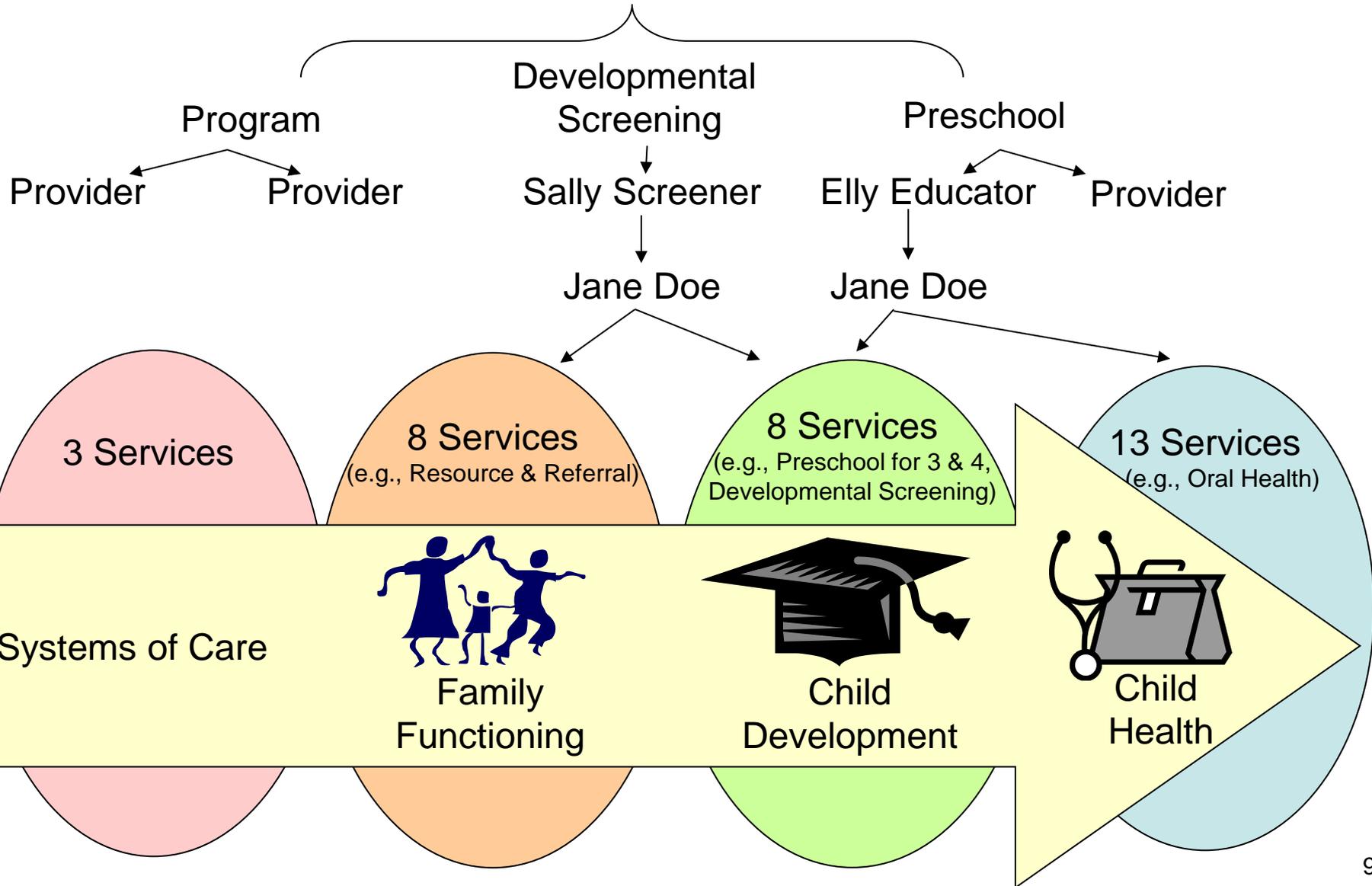
Focus Areas



County Commission Approval



County Commission Approval





County Data: One-time Services

- 184,093 children 0 to 5 and their family members received resource and referral services
- Orange County's Project Connections Family Resource Centers
 - 25% increase in those publically insured
 - 47% improvement in the rate of those with a medical home
 - 27% increase in number of children with all recommended immunizations





County Data: Intense Services

- 178,734 children 0 to 5 and their family members received oral health services
- Kern County Children's Dental Health Network: mobile dental services
 - 5,600 received oral health education
 - More than 3,000 received screenings
 - 35 point drop in plaque index





SCO County Audit

- 2005 mandate for expanded audit of each county commission
 - Contracting and procurement
 - Administrative expenditure limits
 - Conflict of interest
 - Staff compensation
 - Long-range financial planning
- No findings requiring action





FY 07/08 In Review

- First 5 had a successful year:
 - Decreasing need for hospitalization through access to health insurance
 - Improving the quality of preschool

Progress in our vision to ensure all children in California enter school ready to achieve their greatest potential